

Virginia Department of Mines, Minerals and Energy
Virginia Gas and Oil Board

Minutes and results of hearing, May 13, 2003

Board members present: Mr. Brent, Mr. Harris, Mr. Mitchell, Mr. Ratliff, Mr. Wampler

1. The Virginia Gas and Oil Board considered a petition from CNX Gas Company, LLC for pooling of coalbed methane unit AW-118, New Garden District, Russell County, Virginia. VGOB-03-0513-1147.

In the AW-118 unit, the applicant controls 98.98% of the coal interests and 94.8% of the gas interests, and seeks to pool the remaining 1.02% of the coal interests and 5.2% of the gas interests. Coal acreage subject to pooling totals 0.51 net acres in one tract with one unleased owner. Gas acreage subject to pooling totals 2.58 acres in four tracts up to with five unleased owners. There are conflicting claimants subject to escrow and owners subject to existing royalty split agreements. A permit to drill the unit was issued on 8/26/02 and a well was drilled in April of this year. Pooling was approved.

2. The Virginia Gas and Oil Board considered a petition from CNX Gas Company, LLC for pooling of coalbed methane unit AW-119, New Garden District, Russell County, Virginia. VGOB-03-0513-1148

In the AW-119 unit, the applicant controls 99.9% of the coal and gas interests, and seeks to pool the remaining 0.1% of the interests. Acreage subject to pooling totals 0.07 net acres in one tract with one unleased owner. There are no conflicting claimants but there are unlocated owners subject to escrow. A permit application was issued on 2/7/02 and a well was drilled in March of 2002. Pooling was approved.

3. The Virginia Gas and Oil Board considered a petition from CNX Gas Company, LLC for pooling of coalbed methane unit AY-119, New Garden District, Russell County, Virginia. VGOB-03-0513-1149.

In the AY119 unit, the applicant controls 99.3% of the coal interests and 83.2% of the gas interests, and seeks to pool the remaining 0.7% of the coal interests and 16.8% of the gas interests. Coal acreage subject to pooling totals 0.4 net acres in two tracts with 10 unleased owners. Gas acreage subject to pooling totals 9.9 net acres in eight tracts with 22 unleased owners. There are conflicting claimants subject to escrow and owners subject to existing royalty split agreements. A permit to drill the unit was issued on 7/29/02. Pooling was approved.

4. The Virginia Gas and Oil Board considered a petition from CNX Gas Company, LLC for pooling of coalbed methane unit BB-119, New Garden District, Russell County, Virginia. VGOB-03-0513-1150.

In the BB119 unit, the applicant controls 89.2% of the coal interests and 88.8% of the gas interests, and seeks to pool the remaining 10.8% of the coal interests and 11.2% of the gas interests. Coal acreage subject to pooling totals 6.3 net acres in three tracts with up to 26 unleased owners. Gas acreage subject to pooling totals 6.6 net acres in five tracts with up to 90 unleased owners. There are conflicting claimants and unlocated owners subject to escrow and

owners subject to existing royalty split agreements. A permit to drill the unit was issued on 1/10/03 and a well was drilled in March of this year. Pooling was approved.

5. The Virginia Gas and Oil Board considered a petition from CNX Gas Company, LLC for pooling of coalbed methane unit V-1, Prater District, Buchanan County, Virginia. VGOB-03-0513-1151.

In the V-1 unit, the applicant controls 97.0% of the coal and gas interests, and seeks to pool the remaining 3.0% of the interests. Acreage subject to pooling totals 2.5 net acres in one tract with 32 unleased owners. There are no conflicting claimants but there are unlocated owners subject to escrow. A permit was issued on 3/27/03. Pooling was approved.

6. The Virginia Gas and Oil Board considered a petition from CNX Gas Company, LLC for pooling of coalbed methane unit V-2, Prater District, Buchanan County, Virginia. VGOB-03-0513-1152.

In the V-2 unit, the applicant controls 97.4% of the coal and gas interests, and seeks to pool the remaining 2.6% of the interests. Acreage subject to pooling totals 2.2 net acres in one tract with 32 unleased owners (same as item 5, above). There are no conflicting claimants but there are unlocated owners subject to escrow. A permit was issued on 3/25/03. Pooling was approved.

7. The Virginia Gas and Oil Board considered a petition from Columbia Natural Resources, Inc. for a well location exception for proposed well 825184 (PPN-4), Knox District, Buchanan County, Virginia. VGOB-03-0513-1153.

The applicant seeks an exception in order to drill a conventional well closer to two existing wells than allowed under statewide spacing. The well is to be 141 feet closer to gas well 8415, 419 feet closer to gas well 8768, and 490 feet closer to gas well 24730 than the 2500 feet mandated by spacing. The exception is needed to prevent loss of resources. No permit application has been submitted. The location exception was approved.

8. The Virginia Gas and Oil Board considered a petition from Equitable Production Company for pooling of conventional gas unit V-507922, North Grundy District, Buchanan County, Virginia. VGOB-03-0513-1154

In the proposed V-507922 conventional gas unit, the applicant controls 87.2% of the oil and gas interests, and seeks to pool the remaining 12.8% of the interests. Unleased acreage subject to pooling totals 23.1 acres in one tract having seven unleased owners. There are no unlocated owners subject to escrow. No permit application has been submitted. Pooling was approved.

The deadline for filing of petitions to the Board for the June 2003 hearing is 5 pm., May 16, 2003 with the hearing scheduled for 9 a.m., Tuesday, June 17, 2003 at the Southwest Virginia Higher Education Center, Abingdon, Virginia.